
By: **Chairman, Budget and Taxation Committee (By Request -
Departmental - Transportation)**

Introduced and read first time: January 15, 2004

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Personnel and Pensions - Dependents of Maryland Transit Administration**
3 **Retirees - Health Benefits**

4 FOR the purpose of providing that certain surviving spouses and dependent children
5 of Maryland Transit Administration Retirement Plan retirees are eligible to
6 receive certain health insurance benefits; altering certain definitions; and
7 generally relating to health insurance benefits for Maryland Transit
8 Administration Retirement Plan retirees and their surviving spouses and
9 dependent children.

10 BY repealing and reenacting, with amendments,
11 Article - State Personnel and Pensions
12 Section 2-508
13 Annotated Code of Maryland
14 (1997 Replacement Volume and 2003 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
16 MARYLAND, That the Laws of Maryland read as follows:

17 **Article - State Personnel and Pensions**

18 2-508.

19 (a) (1) In this section the following words have the meanings indicated.

20 (2) "Creditable service" means:

21 (i) service credited toward a retirement allowance under Division
22 II of this article;

23 (ii) service while a member of the Judges' Retirement System under
24 Title 27 of this article; [or]

25 (iii) service while an employee was employed by the Domestic
26 Relations Division of the Anne Arundel County Circuit Court, prior to transfer on or

1 before July 1, 2002 into the State Personnel Management System, in accordance with
2 § 2-510 of the Courts Article; OR

3 (IV) SERVICE WHILE A MEMBER OF THE MARYLAND TRANSIT
4 ADMINISTRATION RETIREMENT PLAN UNDER § 7-206 OF THE TRANSPORTATION
5 ARTICLE.

6 (3) (i) "Retiree" means:

7 1. a former State employee who receives a retirement
8 allowance under Division II of this article;

9 2. a former employee of the Medical System Corporation, as
10 defined in § 13-301 or § 13-401 of the Education Article, who receives a retirement
11 allowance from the Employees' Retirement System of the State of Maryland or the
12 Employees' Pension System of the State of Maryland under Title 22 or Title 23 of this
13 article; or

14 3. a former employee of the Maryland Transit
15 Administration who receives a Maryland Transit Administration retirement
16 allowance under § 7-206 of the Transportation Article.

17 (ii) "Retiree" does not include:

18 1. a member of the faculty or staff of a community college;

19 2. a teacher or a staff member employed by a county board of
20 education; or

21 3. an individual who retired under an optional program
22 under Title 30 of this article.

23 (4) "State service" means service with the State by:

24 (i) an employee while a member of the Employees' Retirement
25 System or the Employees' Pension System under Title 22 or Title 23 of this article;

26 (ii) a member of the Judges' Retirement System under Title 27 of
27 this article;

28 (iii) a teacher while a member of the Teachers' Retirement System
29 or Teachers' Pension System under Title 22 or Title 23 of this article;

30 (iv) a correctional officer, while a member of the Correctional
31 Officers' Retirement System under Title 25 of this article;

32 (v) an employee of the Medical System Corporation, as defined in §
33 13-301 or § 13-401 of the Education Article, while a member of the Employees'
34 Retirement System of the State of Maryland or the Employees' Pension System of the
35 State of Maryland under Title 22 or Title 23 of this article;

1 (vi) a State Police officer while a member of the State Police
2 Retirement System under Title 24 of this article;

3 (vii) a law enforcement officer while a member of the Law
4 Enforcement Officers' Pension System under Title 26 of this article; or

5 (viii) an employee while a member of the Maryland Transit
6 Administration Plan under § 7-206 of the Transportation Article.

7 (b) (1) A retiree may enroll and participate in the health insurance benefit
8 options established under the Program if the retiree:

9 (i) ended State service with at least 10 years of creditable service
10 and within 5 years before the age at which a vested retirement allowance normally
11 would begin;

12 (ii) ended State service with at least 16 years of creditable service;

13 (iii) ended State service on or before June 30, 1984;

14 (iv) retired directly from State service with a State retirement
15 allowance on or after July 1, 1984, and had at least 5 years of creditable service; or

16 (v) retired directly from State service with a State disability
17 retirement allowance on or after July 1, 1984.

18 (2) (i) The surviving spouse or dependent child of a deceased retiree
19 who was eligible to enroll may enroll and participate in the health insurance benefit
20 options established under the Program as long as the spouse or child is receiving [an]
21 A PERIODIC allowance under Division II of this article OR THE MARYLAND TRANSIT
22 ADMINISTRATION RETIREMENT PLAN UNDER § 7-206 OF THE TRANSPORTATION
23 ARTICLE.

24 (ii) Subparagraph (i) of this paragraph does not apply to a deceased
25 retiree's spouse or dependent child who receives an Option 1, Option 4, or Option 7
26 benefit under Division II of this article OR A LUMP-SUM PAYMENT OF BENEFITS
27 UNDER THE MARYLAND TRANSIT ADMINISTRATION RETIREMENT PLAN UNDER §
28 7-206 OF THE TRANSPORTATION ARTICLE.

29 (c) (1) If a retiree receives a State disability retirement allowance or has 16
30 or more years of creditable service, the retiree or the retiree's surviving spouse or
31 dependent child is entitled to the same State subsidy allowed a State employee.

32 (2) In all other cases, if a retiree has at least 5 years of creditable service,
33 the retiree or the retiree's surviving spouse or dependent child is entitled to 1/16 of
34 the State subsidy allowed a State employee for each year of the retiree's creditable
35 service up to 16 years.

36 (3) Notwithstanding paragraph (2) of this subsection and subsection
37 (a)(4)(i) of this section, if a retiree is an additional employee or agent of the State

1 Racing Commission, for the purposes of determining a retiree's State subsidy,
2 creditable service shall be determined with respect to service as an additional
3 employee or agent beginning from the initial date of employment or January 1, 1986,
4 whichever is later.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
6 effect October 1, 2004.